



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for November 2014**

**investment philosophy**

Reliance Life Insurance seeks consistent and superior long-term returns with a well-defined and disciplined investment approach symbolizing integrity and transparency to benefit all stakeholders.

Economy Indicators	31st Oct 14	30th Sep 14	% Change
<sup>1</sup> \$ / Rs.	61.37	61.75	-0.64
<sup>2</sup> CPI (YOY)	5.52	6.46	-0.94
<sup>3</sup> Forex Reserves (\$ bn)	315.91	311.43	1.42
<sup>1</sup> Brent Crude Price (\$ per Barrel)	80.54	97.2	-13.19
<sup>1</sup> Gold (Rs. per 10gm)	25871	26772	-3.48

Indices	31st Oct 14	30th Sep 14	% Change
<sup>1</sup> BSE Sensex	26630	26638	-8
<sup>1</sup> S&P CNX Nifty	7964	7954	10
<sup>1</sup> CNX Mid Cap	11418	11114	304
<sup>1</sup> BSE Small Cap	10681	10264	417

Global Indices	31st Oct 14	30th Sep 14	% Change
<sup>1</sup> Dow Jones	17043	17080	-37
<sup>1</sup> FTSE 100	6623	6806	-183
<sup>1</sup> Hang Seng	22933	24741	-1808
<sup>1</sup> Nikkei	16174	15460	714

Sectoral Indices	31st Oct 14	30th Sep 14	% Change
<sup>1</sup> CNX Infrastructure	3021	3113	-92
<sup>1</sup> CNX Energy	9275	9629	-354
<sup>1</sup> BSE Capital Goods	14268	14913	-645
<sup>1</sup> BSE Bankex	17615	18004	-389
<sup>1</sup> BSE Oil & Gas	10729	11185	-456
<sup>1</sup> BSE IT	10688	10086	602

Fixed Income Indicators (%)	31st Oct 14	30th Sep 14	bps Change
<sup>1</sup> NSE Mibor	8.75	8.85	-1.14
<sup>1</sup> 91 Day T-Bill	8.26	8.61	-0.35
<sup>1</sup> 182 Day T-Bill	8.37	8.63	-0.26
<sup>1</sup> 1 year GOI Benchmark	8.33	8.60	-0.27
<sup>1</sup> 5 Year GOI Benchmark	8.35	8.55	-0.20
<sup>1</sup> 10 Year GOI Benchmark	8.28	8.51	-0.23
<sup>1</sup> 5 Year Corp Bond Benchmark	8.83	9.15	-0.32
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	8.74	8.97	-0.23
<sup>1</sup> 10 Year US Treasury	2.34	2.49	-0.15

Source: <sup>1</sup>Bloomberg, <sup>2</sup>eaindustry.nic.in, <sup>3</sup>RBI

**Fixed Income Market**

The virtuous cycle seems to have started for India. Major commodity prices like crude oil, metals, minerals and food prices have dipped considerably in the current year while sharp downward shift have been witnessed off-late. We are further lucky in the sense that because of the improvement in the national balance sheet in terms of external finance and government resolve to mend internal finance as well, USD / INR was also stable. There is considerable consistent investment by foreign institutional investors in both fixed income and equities.

Recent policy reforms like deregulation of Diesel prices and 10% reduction in the discretionary spending will help achieve the target for fiscal deficit as tax collections is not up-to the mark due to the sluggish economy. Government resolve to get pass legislation like Goods and Services Tax (GST) and FDI in Insurance sector in the winter session of parliament will further buttress the government credentials.

The underlying strength in the economic recovery was supported by modest improvement in October 2014 PMI manufacturing led by output growth and new order flows. However, PMI services witnessed stagnation amid slowdown in Euro zone, although strong growth in US is expected to provide a fillip to the services sector, going forward. Industrial growth revival is still fall away as reflected in the dismal Index of Industry Production figures as well as tepid demand for credit. In fact, banks have reduced deposit rate across the maturities during the month reflecting poor credit off-take. Money Market rates have also eased by 25-35 bps. Banks were seen depositing surplus cash with the RBI in overnight Reverse Repo operations.

Retail inflation for the month of September 2014 registered at 6.46% (YoY), which was driven by fall in food prices and large favorable base effect. The core inflation also came in at 5.9% (YoY). This has catalyzed fall in the yield across the curve by 25 bps. It is expected that sustained fall in the inflation will help achieve the inflation target for January 2015.

Globally countries like Japan has increased target for annual purchase of securities where as Euro zone has also embarked on purchasing of covered bonds. This is to stave off the deflationary pressure in their economies.

**Fixed Income Outlook:**

Going forward, It is expected that RBI will be maintaining the long pause in terms of policy rates as they would like to establish lower stable inflation regime even when economy grows at its potential level. We expect that current bond yields will be well supported by the benign inflationary outlook as well as easy banking liquidity.

**Equity Market**

Indian equities got off to a slow start in Oct but soon reversed losses to hit fresh all-time highs at the close of the month (+4.5%). While the sharp move could partly be attributed to global liquidity events, there were many positive events at the home front as well. Just when a certain section of market was beginning to question the pace of reforms by the Modi government, we saw a reforms cracker at the Centre – first in the oil & gas space, followed in quick succession by the ordinance to expedite coal auctions.

Banks were back in favour in Oct following a good set of results from the privates and a switch from defensive sectors – Axis Bank saw a pick-up in growth and the outlook was once again positive, but ICICI had some weakness on asset quality and sounded cautious on the outlook. Among the PSUs, PNB reported a disappointing set of numbers and among NBFCs, Shriram Transport had a slow quarter with asset quality stretched.

IT had a muted earnings quarter with revenue trends across the sector largely disappointing – implied realizations and margins for most companies were weaker than expected. TCS missed expectations after many successful quarters. Infosys however had a good rounded performance while Tech Mahindra surprised on the revenue front.

Autos had a mixed month with early festive sparks giving way and results also turning out to be a mixed bag. Maruti gained market share over the quarter and revealed plans for new models while Mahindra once again revised down its tractor guidance even as it spoke about market share bottoming in the SUV segment.

Among Consumer names, ITC showed strong cigarette profitability despite another quarter of volume decline Hindustan Unilever once again showed impressive cost control but topline growth missed expectations.

Oil & Gas had an action packed month with the government announcing the slew of much awaited reforms. Among the results, RIL reported a beat led by better than expected GRMs and an improvement in petchem while Cairn again disappointed on production.

Infra names were the biggest outperformers with stocks across the board finding favour among investors who looked to add beta. Crompton made the demerger of its consumer business official and also sought to increase the foreign investment limit to 100%.

FIs finally booked some profits and remained net sellers for most part of Oct, ending the month small net buyers of \$121mn. YTD, however, their total net buy still stands at an impressive \$13.9bn. DIIs meanwhile turned rare net buyers led once again by mutual funds (\$896mn) even as insurance companies net sold (\$225mn), taking the total DII tally to \$671mn. DIIs have net sold \$4.8bn so far this year.

**Equity Outlook:**

Though the global liquidity scenario continues to be good, the key things to watch out for in November would be how the remaining earnings pan out, important bills passed in the parliament session and the RBI credit policy.

# fund snapshot

gross return (CAGR\*) (%) As on Oct 31, 2014

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	47.50%	26.56%	20.83%	4
100% equity	Group Equity Fund 3	43.92%	25.15%	24.65%	5
100% pure equity	Group Pure Equity Fund 1	36.78%	23.47%	17.12%	6
100% equity	Group Infrastructure Fund 1	48.55%	16.05%	8.58%	7
100% equity	Group Energy Fund 1	44.50%	17.32%	11.44%	8
100% equity	Group Midcap Fund 1	64.49%	32.27%	25.62%	9
40% equity, 60% debt	Group Growth Fund 1	23.38%	15.54%	14.10%	10
20% equity, 80% debt	Group Balanced Fund 1	16.61%	11.76%	11.45%	11
20% equity, 80% debt	Group Balanced Fund 2	17.26%	12.33%	11.95%	12
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	13
100% bond instruments	Group Corporate Bond Fund 2	11.64%	9.47%	10.18%	14
100% debt Instruments	Group Pure Debt Fund 1	12.23%	10.42%	10.82%	15
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	16
100% money market	Group Capital Secure Fund 1	9.64%	9.67%	9.61%	17
100% govt. securities	Group Gilt Fund 2	11.77%	9.25%	9.90%	18
100% money market	Group Money Market Fund 2	9.32%	9.53%	9.76%	19

### SFIN :

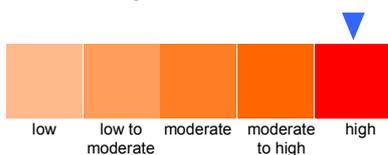
ULGF00724/10/07GEQUITYF01121

Inception Date : 30<sup>th</sup> Oct 2007

### fund objective

Provide high real rate of return in the long-term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

S&P CNX Nifty: 100%

# Group Equity Fund 2

## fund performance as on Oct 31, 2014

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	47.50%	26.56%	20.83%	11.97%	15.52%
<b>Benchmark</b>	<b>32.12%</b>	<b>21.69%</b>	<b>16.04%</b>	<b>8.44%</b>	<b>12.05%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security % total net assets

### equity

DIVIS LABORATORIES LIMITED	8.29
INFOSYS LIMITED	8.12
RELIANCE INDUSTRIES LTD.	7.65
HDFC BANK LTD.	7.15
LARSEN&TUBRO	6.58
ICICI BANK LTD.	6.08
YES BANK LTD	4.55
ITC	4.45
TATA CONSULTANCY SERVICES LTD.	4.35
TATA MOTORS LTD.	3.86
MARUTI UDYOG LTD.	3.76
ULTRATECH CEMCO LTD	2.87
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.53
INDIABULLS HOUSING FINANCE LTD	2.48
ONGC	2.43
STATE BANK OF INDIA	2.21
SML ISUZU LIMITED	2.00
BHARTI AIRTEL LIMITED	1.93
JSW STEEL LIMITED	1.93
KIRLOSKAR CUMMINS	1.84
MAHINDRA & MAHINDRA LTD	1.82
SESA STERLITE LIMITED	1.66
MOTHERSON SUMI SYSTEMS LTD.	1.52
HDFC LTD	1.51
ADITYA BIRLA NUVO LIMITED	1.10
OIL INDIA LIMITED	1.07
HERO MOTOCORP LIMITED	0.79
WIPRO	0.77
INDIABULLS REAL ESTATE LIMITED	0.66
COAL INDIA LIMITED	0.64
HT MEDIA LIMITED	0.56
D.B. CORP LIMITED	0.52
CROMPTON GREAVES LTD	0.39

total equity 98.06

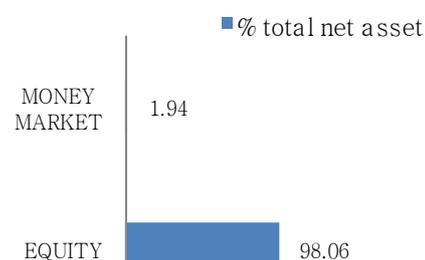
total money market 1.94

total net assets 100.00

### fund characteristics

Fund Beta 1.00

### asset allocation



### SFIN :

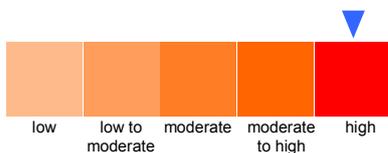
ULGF01808/06/09GEQUITYF03121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

Provide high real rate of return in the long-term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

S&P CNX Nifty: 100%

# Group Equity Fund 3

## fund performance as on Oct 31, 2014

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	43.92%	25.15%	24.65%	16.27%	19.11%
<b>Benchmark</b>	<b>32.12%</b>	<b>21.69%</b>	<b>16.04%</b>	<b>8.44%</b>	<b>12.05%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security % total net assets

### equity

DIVIS LABORATORIES LIMITED	8.49
INFOSYS LIMITED	8.06
RELIANCE INDUSTRIES LTD.	7.34
HDFC BANK LTD.	7.15
LARSEN&TUBRO	6.57
ICICI BANK LTD.	6.11
YES BANK LTD	4.58
ITC	4.43
TATA CONSULTANCY SERVICES LTD.	4.16
MARUTI UDYOG LTD.	3.82
TATA MOTORS LTD.	3.73
ULTRATECH CEMCO LTD	2.73
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.41
ONGC	2.40
INDIABULLS HOUSING FINANCE LTD	2.38
STATE BANK OF INDIA	2.18
JSW STEEL LIMITED	1.98
BHARTI AIRTEL LIMITED	1.90
KIRLOSKAR CUMMINS	1.87
MAHINDRA & MAHINDRA LTD	1.77
SML ISUZU LIMITED	1.76
SESA STERLITE LIMITED	1.54
MOTHERSON SUMI SYSTEMS LTD.	1.49
HDFC LTD	1.45
OIL INDIA LIMITED	1.07
ADITYA BIRLA NUVO LIMITED	1.05
WIPRO	0.77
HERO MOTOCORP LIMITED	0.67
COAL INDIA LIMITED	0.56
INDIABULLS REAL ESTATE LIMITED	0.55
HT MEDIA LIMITED	0.52
D.B. CORP LIMITED	0.43
CROMPTON GREAVES LTD	0.37

total equity 96.29

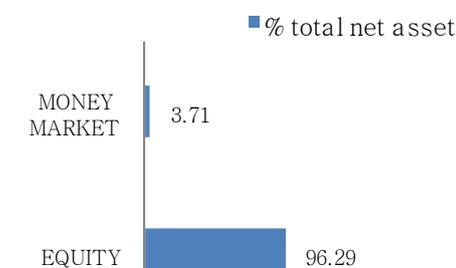
total money market 3.71

total net assets 100.00

### fund characteristics

Fund Beta 1.00

### asset allocation



### SFIN :

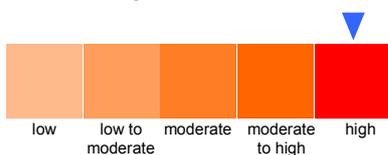
ULGF01528/11/08GPUREEQF01121

Inception Date : 16<sup>th</sup> Dec 2008

### fund objective

Provide high real rate of return in the long-term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.

### fund risk profile



### target asset allocation

Pure Equity: 100%

(\*Investments only in sectors other than banks and non-banking financial companies, breweries, distilleries, alcohol based chemicals, cigarettes, tobacco, entertainment, leather, sugar and hatcheries.)

### benchmark construction

benchmark construction  
S&P CNX Nifty Shariah Index: 100%

# Group Pure Equity Fund 1

## fund performance as on Oct 31, 2014

gross return					
Fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Equity Fund 1	36.78%	23.47%	17.12%	9.87%	12.49%
<b>Benchmark</b>	<b>27.79%</b>	<b>24.34%</b>	<b>15.19%</b>	<b>8.66%</b>	<b>10.89%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security % total net assets

### equity

RELIANCE INDUSTRIES LTD.	9.06
TATA CONSULTANCY SERVICES LTD.	9.03
MARUTI UDYOG LTD.	7.47
BHARTI AIRTEL LIMITED	7.23
INFOSYS LIMITED	6.37
LUPIN LIMITED	5.92
HINDUSTAN LEVER LTD.	5.82
HERO MOTOCORP LIMITED	5.32
ULTRATECH CEMCO LTD	4.63
ASIAN PAINTS LIMITED	4.24
TECH MAHINDRA LIMITED	3.75
GAS AUTHORITY OF INDIA LTD.	3.13
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.80
BAJAJ AUTO LTD	2.74
VOLTAS LTD	2.61
DR. REDDY LABORATORIES	2.51
MOTHERSON SUMI SYSTEMS LTD.	2.38
LARSEN&TUBRO	2.36
TRENT LTD	2.24
ACC LIMITED	1.97
ECLERX SERVICES LIMITED	1.87
SANOFI INDIA LIMITED	1.54
DIVIS LABORATORIES LIMITED	0.96

**total equity** **95.95**

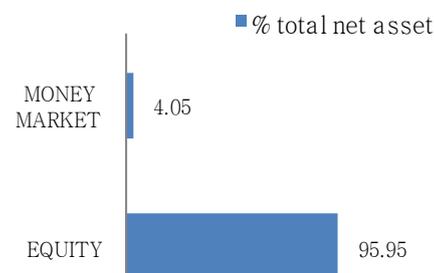
**total money market** **4.05**

**total net assets** **100.00**

### fund characteristics

Fund Beta 0.90

### asset allocation



### SFIN :

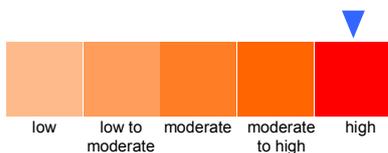
ULGF01908/06/09GINFRASF01121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

Provide high rate of return in the long term through high exposure to equity investments in Infrastructure and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is 'high'

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Infrastructure Index: 100%

# Group Infrastructure Fund 1

## fund performance as on Oct 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	48.55%	16.05%	8.58%	-0.06%	1.94%
<b>Benchmark</b>	<b>36.97%</b>	<b>14.83%</b>	<b>6.92%</b>	<b>-2.30%</b>	<b>-0.29%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security % total net assets

### equity

LARSEN&TUBRO	9.21
NTPC LIMITED	9.06
RELIANCE INDUSTRIES LTD.	9.03
POWER GRID CORP OF INDIA LTD	8.97
BHARTI AIRTEL LIMITED	8.70
KIRLOSKAR CUMMINS	7.69
CROMPTON GREAVES LTD	7.60
MOTHERSON SUMI SYSTEMS LTD.	6.69
BHARAT HEAVY ELECTRICALS LTD.	6.45
VOLTAS LTD	5.98
IDEA CELLULAR LTD	5.03
TATA POWER CO. LTD.	4.75
INDRAPRASTHA GAS LIMITED	3.56
GRASIM INDUSTRIES LTD.	2.50
INDIAN METALS AND FERRO ALLOYS LIMITED	2.18
ACC LIMITED	0.51

97.92

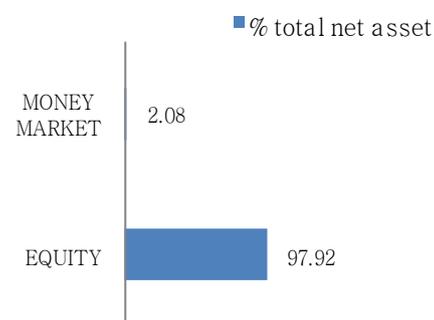
total money market 2.08

total net assets 100.00

### fund characteristics

Fund Beta 0.90

### asset allocation



### SFIN :

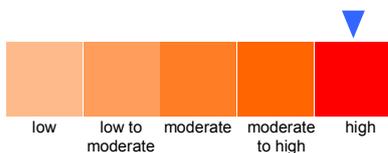
ULGF01428/11/08GENERGYF01121

Inception Date : 16<sup>th</sup> Dec 2008

### fund objective

Provide high rate of return in the long term through high exposure to equity investments in Energy and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is 'high'

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Energy Index: 100%

# Group Energy Fund 1

## fund performance as on Oct 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	44.50%	17.32%	11.44%	4.39%	6.65%
<b>Benchmark</b>	<b>20.48%</b>	<b>11.96%</b>	<b>5.84%</b>	<b>-0.68%</b>	<b>2.38%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security % total net assets

### equity

RELIANCE INDUSTRIES LTD.	9.15
OIL INDIA LIMITED	9.12
POWER GRID CORP OF INDIA LTD	8.83
ONGC	8.78
NTPC LIMITED	8.75
GUJARAT STATE PETRONET LIMITED	6.79
GAS AUTHORITY OF INDIA LTD.	6.60
TATA POWER CO. LTD.	5.55
INDRAPRASTHA GAS LIMITED	5.15
BHARAT PETROLEUM CORP. LTD.	5.05
CAIRN INDIA LIMITED	5.01
VOLTAS LTD	4.17
LARSEN&TUBRO	3.31
KIRLOSKAR CUMMINS	2.83
COAL INDIA LIMITED	2.54
PETRONET LNG LIMITED	2.09
CROMPTON GREAVES LTD	1.24

**total equity** **94.96**

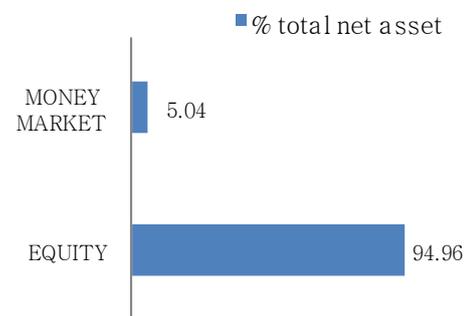
**total money market** **5.04**

**total net assets** **100.00**

### fund characteristics

Fund Beta 0.90

### asset allocation



SFIN :

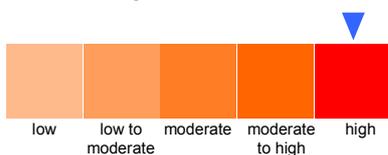
ULGF02008/06/09GMIDCAPF01121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

Provide high rate of return in the long term through high exposure to equity investments in Midcap companies while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

Nifty Midcap 50: 100%

# Group Midcap Fund 1

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	64.49%	32.27%	25.62%	11.83%	15.02%
<b>Benchmark</b>	<b>57.99%</b>	<b>23.07%</b>	<b>15.10%</b>	<b>1.64%</b>	<b>6.92%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security	% total net assets
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#### equity

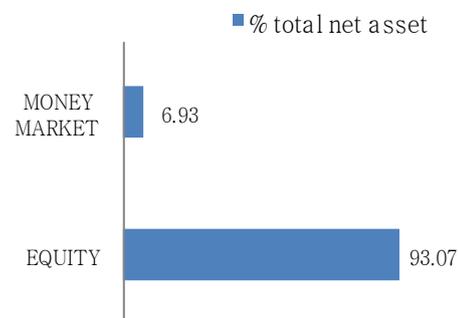
YES BANK LTD	7.56
ADITYA BIRLA NUVO LIMITED	6.07
INDIABULLS HOUSING FINANCE LTD	5.92
VOLTAS LTD	4.92
CROMPTON GREAVES LTD	4.54
IDEA CELLULAR LTD	4.13
PURAVANKARA PROJECTS LIMITED	3.99
GUJARAT FLUORO CHEMICALS LTD.	3.92
STATE BANK OF INDIA	3.91
FUTURE CONSUMER ENTERPRISE LIMITED	3.69
DIVIS LABORATORIES LIMITED	3.31
SHOPPERS STOP LIMITED	3.11
D.B. CORP LIMITED	3.09
TRENT LTD	3.00
INDRAPRASTHA GAS LIMITED	2.99
THE FEDERAL BANK LIMITED	2.88
JSW STEEL LIMITED	2.88
PETRONET LNG LIMITED	2.72
JUBILANT FOODWORKS LIMITED	2.45
TATA CHEMICALS LTD.	2.35
MOTHERSON SUMI SYSTEMS LTD.	2.08
RADICO KHAITAN LIMITED	1.94
INDIAN METALS AND FERRO ALLOYS LIMITED	1.94
JINDAL SAW LIMITED	1.93
HINDUSTAN ZINC LIMITED	1.87
HT MEDIA LIMITED	1.87
OIL INDIA LIMITED	1.49
EXIDE INDUSTRIES LTD	1.42
CENTURY TEXTILES & INDUSTRIES LIMITED	1.07

<b>total equity</b>	<b>93.07</b>
<b>total money market</b>	<b>6.93</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

Fund Beta 0.80

### asset allocation



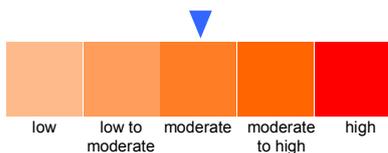
SFIN :  
ULGF00310/10/03GGROWTHF01121

Inception Date : 31<sup>st</sup> Jan 2007

### fund objective

The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long-term while maintaining moderate probability of negative returns in the short-term. The risk appetite is defined as 'moderate'.

### fund risk profile



### target asset allocation

Debt: 60%  
Equity: 40%

### benchmark construction

CRISIL Composite Bond Fund Index: 60%  
S&P CNX Nifty: 40%

# Group Growth Fund 1

## fund performance as on Oct 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	23.38%	15.54%	14.10%	9.90%	10.86%
<b>Benchmark</b>	<b>19.70%</b>	<b>13.73%</b>	<b>11.82%</b>	<b>8.67%</b>	<b>9.68%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security	% total net assets	rating
----------	--------------------	--------

#### bond

9.34% REC NCD 25-08-2024 SR123 TR3	5.09	AAA
9.81% PFC NCD 07-10-2018 SR109	5.09	AAA
9.22% LICHL NCD 16-10-2024 TR230	5.06	AAA
9.51% LICHL NCD 24-07-2019	3.38	AAA
10.60% IRFC NCB 11-09-2018	1.75	AAA
10.00% IHFL NCD 29-09-2019	1.72	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.72	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.71	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	1.70	LAAA
9.36% IDFC NCD 21-08-2024 PP6/2015	1.70	LAAA
9.70% PFC NCD 15-12-2018 SR 82-C	1.70	AAA
9.38% REC NCD 06-11-2018 117th	1.68	AAA

**total bond 32.31**

#### gilts

8.83% GOI CG 25-11-2023	7.32
8.60% GOI CG 02-06-2028	5.35
9.20% GOI CG 30-09-2030	3.58
8.32% GOI CG 02-08-2032	2.16
8.30% GOI CG 31-12-2042	1.67
9.23% GOI CG 23-12-2043	0.50

**total gilts 20.58**

#### equity

DIVIS LABORATORIES LIMITED	3.41
INFOSYS LIMITED	3.27
HDFC BANK LTD.	3.19
RELIANCE INDUSTRIES LTD.	2.93
ICICI BANK LTD.	2.88
LARSEN&TUBRO	2.59
ITC	2.08
TATA CONSULTANCY SERVICES LTD.	1.87
YES BANK LTD	1.84
TATA MOTORS LTD.	1.54
ULTRATECH CEMCO LTD	1.27
ONGC	1.15
MARUTI UDYOG LTD.	1.12
HDFC LTD	1.11
STATE BANK OF INDIA	1.08
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.89
JSW STEEL LIMITED	0.87
MAHINDRA & MAHINDRA LTD	0.75
BHARTI AIRTEL LIMITED	0.75
KIRLOSKAR CUMMINS	0.72
INDIABULLS HOUSING FINANCE LTD	0.72
LUPIN LIMITED	0.61
HERO MOTOCORP LIMITED	0.55
SESA STERLITE LIMITED	0.47
MOTHERSON SUMI SYSTEMS LTD.	0.46
SANOFI INDIA LIMITED	0.38
COAL INDIA LIMITED	0.38
HCL TECHNOLOGIES LIMITED	0.20
WIPRO	0.20

**total equity 39.27**

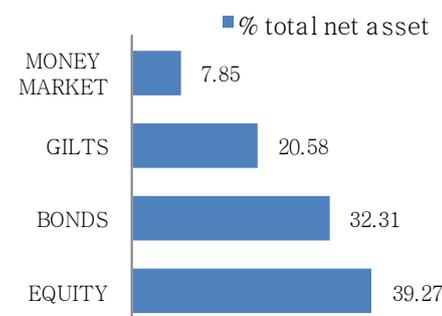
**total money market 7.85**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	5.44 Years
YTM of debt portfolio:	8.40%
Fund Beta:	1.00

### asset allocation



SFIN :

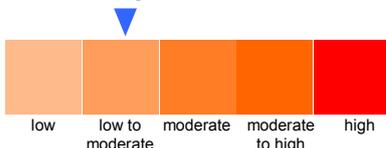
ULGF00110/10/03GBALANCE01121

Inception Date : 29<sup>th</sup> Jan 2007

### fund objective

The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long-term while maintaining a low probability of negative returns in the short-term. The risk appetite is defined as 'low to moderate'.

### fund risk profile



### target asset allocation

Debt.: 80%  
Equity: 20%

### benchmark construction

CRISIL Composite Bond Fund Index: 80%  
S&P CNX Nifty: 20%

# Group Balanced Fund 1

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	16.61%	11.76%	11.45%	9.07%	9.36%
<b>Benchmark</b>	<b>15.67%</b>	<b>11.00%</b>	<b>10.23%</b>	<b>8.50%</b>	<b>8.66%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security	% total net assets	rating
----------	--------------------	--------

#### bond

9.00% SAIL NCD 14-10-2024	6.49	AAA
9.63% REC NCD 05-02-2019 SR-119	4.40	AAA
9.51% LICHFL NCD 24-07-2019	4.39	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	4.29	AAA
8.70% REC NCD 01-02-2018 112	4.28	AAA
9.22% LICHFL NCD 16-10-2024 TR230	3.29	AAA
9.25% TATA SONS NCD 19-06-2019	3.27	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	2.22	LAAA
8.80% PGCIL NCD 13-03-2023 XLII	2.13	AAA
10.60% IRFC NCB 11-09-2018	1.14	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.12	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.11	AAA
9.36% IDFC NCD 21-08-2024 PP6/2015	1.11	LAAA
9.81% PFC NCD 07-10-2018 SR109	1.10	AAA
8.95% PFC NCD 11-03-2018 101-A	1.08	AAA

**total bond 41.43**

#### gilts

8.83% GOI CG 25-11-2023	10.61
8.60% GOI CG 02-06-2028	8.93
9.20% GOI CG 30-09-2030	5.65
8.32% GOI CG 02-08-2032	3.51
8.30% GOI CG 31-12-2042	2.73
9.23% GOI CG 23-12-2043	0.82

**total gilts 32.25**

#### equity

DIVIS LABORATORIES LIMITED	1.71
INFOSYS LIMITED	1.64
HDFC BANK LTD.	1.63
RELIANCE INDUSTRIES LTD.	1.46
ICICI BANK LTD.	1.44
LARSEN&TUBRO	1.28
ITC	1.03
TATA CONSULTANCY SERVICES LTD.	0.93
YES BANK LTD	0.91
TATA MOTORS LTD.	0.74
ULTRATECH CEMCO LTD	0.63
ONGC	0.57
HDFC LTD	0.57
MARUTI UDYOG LTD.	0.56
STATE BANK OF INDIA	0.54
JSW STEEL LIMITED	0.45
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.45
INDIABULLS HOUSING FINANCE LTD	0.38
MAHINDRA & MAHINDRA LTD	0.38
BHARTI AIRTEL LIMITED	0.37
KIRLOSKAR CUMMINS	0.36
LUPIN LIMITED	0.30
HERO MOTOCORP LIMITED	0.28
SESA STERLITE LIMITED	0.24
MOTHERSON SUMI SYSTEMS LTD.	0.23
SANOFI INDIA LIMITED	0.19
COAL INDIA LIMITED	0.19
HCL TECHNOLOGIES LIMITED	0.10
WIPRO	0.10

**total equity 19.68**

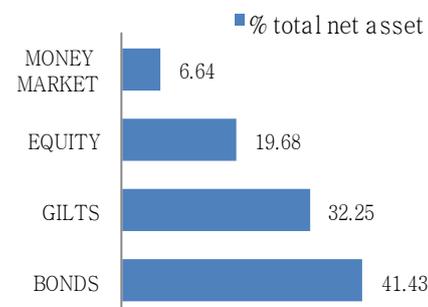
**total money market 6.64**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	5.69 Years
YTM of debt portfolio:	8.46%
Fund Beta:	1.00

### asset allocation



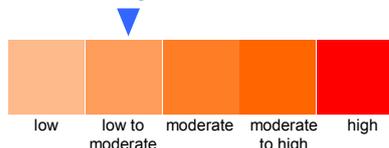
SFIN :  
ULGF00210/10/03GBALANCE02121

Inception Date : 31<sup>th</sup> Jan 2007

### fund objective

The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long-term while maintaining a low probability of negative returns in the short-term. The risk appetite is defined as 'low to moderate'.

### fund risk profile



### target asset allocation

Debt: 80%  
Equity: 20%

### benchmark construction

CRISIL Composite Bond Fund Index: 80%  
S&P CNX Nifty: 20%

# Group Balanced Fund 2

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	17.26%	12.33%	11.95%	9.58%	9.79%
<b>Benchmark</b>	<b>15.67%</b>	<b>11.00%</b>	<b>10.23%</b>	<b>8.50%</b>	<b>8.66%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security	% total net assets	rating
----------	--------------------	--------

#### bond

8.70% REC NCD 01-02-2018 112	8.66	AAA
8.80% PGCIL NCD 29-09-2017 E	5.94	AAA
10.00% IHFL NCD 29-09-2019	4.96	AAA
9.25% TATA SONS NCD 19-06-2019	4.82	AAA
9.81% PFC NCD 07-10-2018 SR109	4.77	AAA
9.36% IDFC NCD 21-08-2024 PP6/2015	3.43	LAAA
8.95% PFC NCD 11-03-2018 101-A	2.63	AAA
9.00% SAIL NCD 14-10-2024	2.40	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.36	AAA
9.22% LICHFL NCD 16-10-2024 TR230	2.31	AAA
9.70% TATA SONS NCD 25-07-2022	1.61	AAA
9.51% LICHFL NCD 24-07-2019	1.22	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.12	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.71	AAA
10.60% IRFC NCB 11-09-2018	0.63	AAA
9.34% SBOT NCB 31-10-2016 I	0.60	AAA
8.97% TATA SONS NCD 15-07-2020	0.59	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.47	AA+
9.30% PGCIL NCD 04-09-2029 OPT III	0.12	AAA

**total bond 49.35**

#### gilts

8.83% GOI CG 25-11-2023	10.39
8.60% GOI CG 02-06-2028	6.45
9.20% GOI CG 30-09-2030	3.80
8.32% GOI CG 02-08-2032	3.23
8.30% GOI CG 31-12-2042	2.37
9.23% GOI CG 23-12-2043	0.76

**total gilts 27.00**

#### equity

DIVIS LABORATORIES LIMITED	1.72
INFOSYS LIMITED	1.65
HDFC BANK LTD.	1.64
RELIANCE INDUSTRIES LTD.	1.48
ICICI BANK LTD.	1.45
LARSEN&TUBRO	1.30
ITC	1.02
TATA CONSULTANCY SERVICES LTD.	0.94
YES BANK LTD	0.93
TATA MOTORS LTD.	0.75
ULTRATECH CEMCO LTD	0.64
ONGC	0.58
HDFC LTD	0.58
STATE BANK OF INDIA	0.55
MARUTI UDYOG LTD.	0.54
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.46
JSW STEEL LIMITED	0.46
KIRLOSKAR CUMMINS	0.39
MAHINDRA & MAHINDRA LTD	0.38
BHARTI AIRTEL LIMITED	0.38
INDIABULLS HOUSING FINANCE LTD	0.38
LUPIN LIMITED	0.31
HERO MOTOCORP LIMITED	0.28
SESA STERLITE LIMITED	0.25
MOTHERSON SUMI SYSTEMS LTD.	0.23
SANOFI INDIA LIMITED	0.19
COAL INDIA LIMITED	0.19
HCL TECHNOLOGIES LIMITED	0.10
WIPRO	0.10

**total equity 19.86**

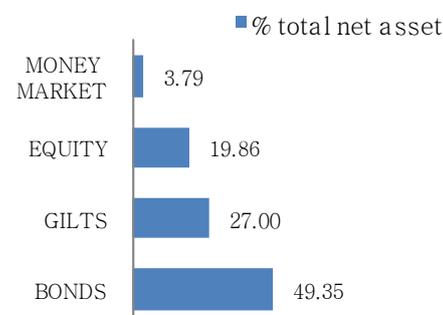
**total money market 3.79**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio: 5.11 Years  
YTM of debt portfolio: 8.56%  
Fund Beta: 1.00

### asset allocation



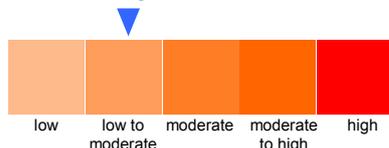
SFIN :  
ULGF02105/06/13GBALANCE04121

Inception Date : 17<sup>th</sup> Dec 2013

### fund objective

The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long-term while maintaining a low probability of negative returns in the short-term. The risk appetite is defined as 'low to moderate'.

### fund risk profile



# Group Balanced Fund 4

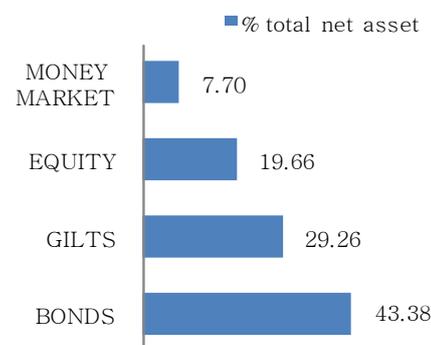
### portfolio

security	% total net assets	rating
<b>bond</b>		
9.00% SAIL NCD 14-10-2024	7.44	AAA
8.70% REC NCD 01-02-2018 112	6.55	AAA
9.36% IDFC NCD 21-08-2024 PP6/2015	5.07	LAAA
9.81% PFC NCD 07-10-2018 SR109	5.07	AAA
9.51% LICHFL NCD 24-07-2019	4.20	AAA
9.30% PGCIL NCB 04-09-2019 OPTION I	4.17	AAA
9.22% LICHFL NCD 16-10-2024 TR230	3.35	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	2.46	AAA
9.25% TATA SONS NCD 19-06-2019	1.66	AAA
10.60% IRFC NCB 11-09-2018	0.87	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.86	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.85	AAA
9.39% PFC NCD 27-08-2019 SR118B-I	0.84	AAA
<b>total bond</b>	<b>43.38</b>	
<b>gilts</b>		
8.83% GOI CG 25-11-2023	9.77	
8.60% GOI CG 02-06-2028	8.03	
9.20% GOI CG 30-09-2030	5.32	
8.32% GOI CG 02-08-2032	3.12	
8.30% GOI CG 31-12-2042	2.28	
9.23% GOI CG 23-12-2043	0.73	
<b>total gilts</b>	<b>29.26</b>	
<b>Equity</b>		
DIVIS LABORATORIES LIMITED	1.73	
INFOSYS LIMITED	1.64	
HDFC BANK LTD.	1.61	
RELIANCE INDUSTRIES LTD.	1.47	
ICICI BANK LTD.	1.44	
LARSEN&TUBRO	1.31	
ITC	1.02	
TATA CONSULTANCY SERVICES LTD.	0.92	
YES BANK LTD	0.89	
TATA MOTORS LTD.	0.75	
ULTRATECH CEMCO LTD	0.65	
ONGC	0.58	
MARUTI UDYOG LTD.	0.58	
HDFC LTD	0.56	
STATE BANK OF INDIA	0.54	
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.46	
JSW STEEL LIMITED	0.46	
INDIABULLS HOUSING FINANCE LTD	0.39	
BHARTI AIRTEL LIMITED	0.38	
MAHINDRA & MAHINDRA LTD	0.38	
KIRLOSKAR CUMMINS	0.36	
LUPIN LIMITED	0.30	
HERO MOTOCORP LIMITED	0.28	
SESA STERLITE LIMITED	0.25	
MOTHERSON SUMI SYSTEMS LTD.	0.23	
SANOFI INDIA LIMITED	0.20	
COAL INDIA LIMITED	0.19	
WIPRO	0.10	
<b>total equity</b>	<b>19.66</b>	
<b>total money market</b>	<b>7.70</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M. Duration of debt portfolio:	5.71 Years
YTM of debt portfolio:	8.55%
Fund Beta:	1.00

### asset allocation



### target asset allocation

Debt:	80%
Equity:	20%

### benchmark construction

CRISIL Composite Bond Fund Index:	80%
S&P CNX Nifty:	20%

### SFIN :

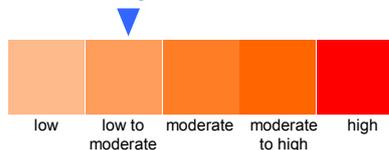
ULGF01213/10/08GCBOND02121

Inception Date : 13<sup>th</sup> Oct 2008

### fund objective

Provide returns that exceed the inflation rate, while taking some credit risk (through investments in corporate debt instruments) and maintaining a moderate probability of negative return in the short-term. The risk appetite is 'low to moderate'.

### fund risk profile



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Corporate Bond Fund 2

## fund performance as on Oct 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Corporate Bond Fund 2	11.64%	9.47%	10.18%	9.03%	8.90%
<b>Benchmark</b>	<b>11.71%</b>	<b>8.25%</b>	<b>8.74%</b>	<b>8.01%</b>	<b>7.47%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

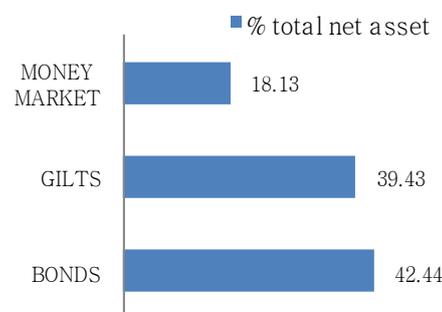
### portfolio

security	% total net assets	rating
<b>bond</b>		
9.44% LICHFL NCD 30-08-2019 TR228	8.56	AAA
9.00% SAIL NCD 14-10-2024	7.18	AAA
9.36% IDFC NCD 21-08-2024 PP6/2015	5.79	LAAA
9.34% REC NCD 25-08-2024 SR123 TR3	4.31	AAA
9.30% PGCIL NCB 04-09-2024 OPTION II	4.30	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	3.35	AAA
9.38% REC NCD 06-11-2018 117th	2.73	AAA
8.75% RIL NCD 07-05-2020	1.66	AAA
9.81% PFC NCD 07-10-2018 SR109	1.04	AAA
8.80% PGCIL NCD 13-03-2023 XLII	1.00	AAA
10.00% IHFL NCD 29-09-2019	0.87	AAA
9.24% REC NCD 17-10-2018 116THOPTII	0.59	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.52	AAA
9.90% TATA SONS NCD 18-03-2016	0.25	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.17	AAA
8.95% PFC NCD 11-03-2018 101-A	0.08	AAA
<b>total bond</b>	<b>42.44</b>	
<b>Gilts</b>		
8.60% GOI CG 02-06-2028	12.14	
8.83% GOI CG 25-11-2023	11.10	
9.20% GOI CG 30-09-2030	8.60	
8.30% GOI CG 31-12-2042	5.02	
8.32% GOI CG 02-08-2032	1.48	
9.23% GOI CG 23-12-2043	1.08	
<b>total gilts</b>	<b>39.43</b>	
<b>total money market</b>	<b>18.13</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M. Duration of debt portfolio: 3.57 Years  
YTM of debt portfolio: 8.05%

### asset allocation



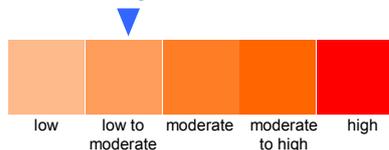
SFIN :  
ULGF02305/06/13GICORBOND03121

Inception Date : 31<sup>st</sup> Dec 2013

### fund objective

Provide returns that exceed the inflation rate, while taking some credit risk (through investments in corporate debt instruments) and maintaining a moderate probability of negative return in the short term. The risk appetite is 'low to moderate'.

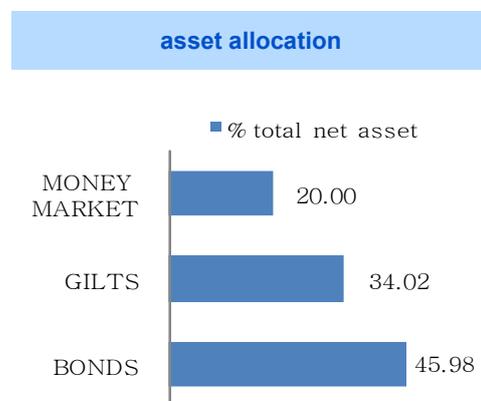
### fund risk profile



# Group Corporate Bond Fund 3

portfolio		
security	% total net assets	rating
<b>bond</b>		
10.00% IHFL NCD 29-09-2019	15.50	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	15.49	AAA
9.00% SAIL NCD 14-10-2024	14.98	AAA
<b>total bond</b>	<b>45.98</b>	
<b>Gilts</b>		
8.83% GOI CG 25-11-2023	13.66	
8.60% GOI CG 02-06-2028	7.84	
9.20% GOI CG 30-09-2030	4.48	
8.32% GOI CG 02-08-2032	4.42	
8.30% GOI CG 31-12-2042	2.65	
9.23% GOI CG 23-12-2043	0.97	
<b>total gilts</b>	<b>34.02</b>	
<b>total money market</b>	<b>20.00</b>	
<b>total net assets</b>	<b>100.00</b>	

fund characteristics	
M. Duration of debt portfolio:	5.58 Years
YTM of debt portfolio:	8.58%



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

### SFIN :

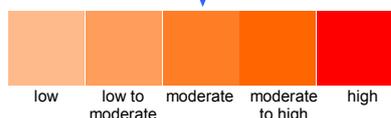
ULGF01030/09/08GPUREDEB01121

Inception Date : 30<sup>th</sup> Sep 2008

### fund objective

Provide steady investment returns achieved through 100% investment in debt securities, while maintaining moderate probability of negative returns in the short-term. The risk appetite is defined as 'moderate'.

### fund risk profile



### target asset allocation

Debt Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Pure Debt Fund 1

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Debt Fund 1	12.23%	10.42%	10.82%	9.47%	9.32%
<b>Benchmark</b>	<b>11.71%</b>	<b>8.25%</b>	<b>8.74%</b>	<b>8.01%</b>	<b>7.47%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

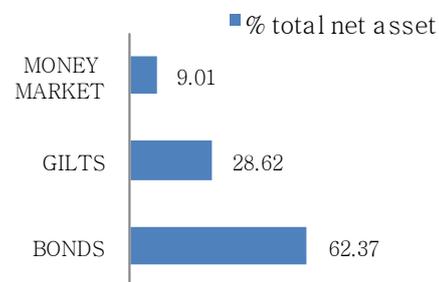
### portfolio

security	% total net assets	rating
<b>bond</b>		
8.95% PFC NCD 11-03-2018 101-A	13.62	AAA
10.00% IHFL NCD 29-09-2019	7.07	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	7.02	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	7.00	LAAA
9.36% IDFC NCD 21-08-2024 PP6/2015	6.99	LAAA
9.63% REC NCD 05-02-2019 SR-119	6.95	AAA
9.25% TATA SONS NCD 19-06-2019	6.88	AAA
9.00% SAIL NCD 14-10-2024	6.84	AAA
<b>total bond</b>	<b>62.37</b>	
<b>gilts</b>		
8.60% GOI CG 02-06-2028	9.63	
9.20% GOI CG 30-09-2030	6.29	
8.83% GOI CG 25-11-2023	4.85	
8.32% GOI CG 02-08-2032	3.95	
8.30% GOI CG 31-12-2042	3.02	
9.23% GOI CG 23-12-2043	0.89	
<b>total gilts</b>	<b>28.62</b>	
<b>total money market</b>	<b>9.01</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M .Duration of debt portfolio: 5.61 Years  
YTM of debt portfolio: 8.75%

### asset allocation



### SFIN :

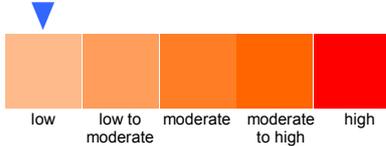
ULGF00431/01/07GCAPISEC01121

Inception Date : 31<sup>st</sup> Jan 2007

### fund objective

Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'extremely low'.

### fund risk profile



### target asset allocation

Money market : 100%

### benchmark construction

Yield on 182-day T.Bills : 100%

# Group Capital Secure Fund 1

## fund performance as on Oct 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Capital Secure Fund 1	9.64%	9.67%	9.61%	9.43%	8.92%
<b>Benchmark</b>	<b>8.87%</b>	<b>8.19%</b>	<b>8.28%</b>	<b>8.01%</b>	<b>7.41%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

### portfolio

security	% total net as-sets
other money market Instrument	100.00
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

M .Duration of debt portfolio:	0.30 Years
YTM of debt portfolio:	8.85%

### asset allocation

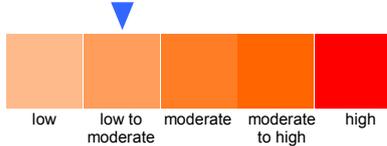
SFIN :  
ULGF01610/12/08GGILTFUN02121

Inception Date : 10<sup>th</sup> Dec 2008

### fund objective

Provide returns that exceed the inflation rate, without taking any credit risk (sovereign risk only) and maintaining a low probability of negative return in the short- term. The risk appetite is 'low to moderate'.

### fund risk profile



### target asset allocation

Government Securities: 100%

### benchmark construction

I-Sec Composite Sovereign Bond Index:100%

# Group Gilt Fund 2

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	11.77%	9.25%	9.90%	8.81%	8.42%
<b>Benchmark</b>	<b>11.62%</b>	<b>7.90%</b>	<b>9.60%</b>	<b>8.06%</b>	<b>7.56%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

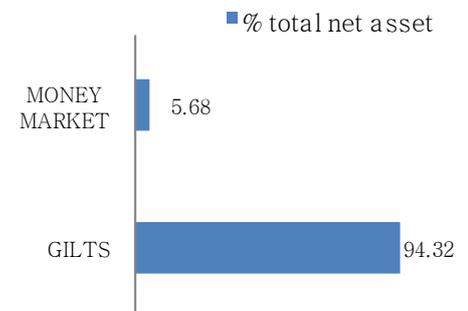
### portfolio

security	% total net assets
<b>gilts</b>	
8.83% GOI CG 25-11-2023	31.13
9.20% GOI CG 30-09-2030	23.88
8.60% GOI CG 02-06-2028	20.23
9.23% GOI CG 23-12-2043	11.99
8.30% GOI CG 31-12-2042	7.08
<b>total gilts</b>	<b>94.32</b>
<b>total money market</b>	<b>5.68</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

M. Duration of debt portfolio:	7.65 Years
YTM of debt portfolio:	8.32%

### asset allocation



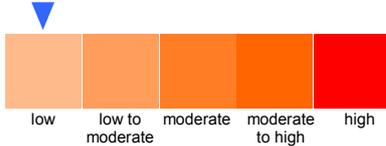
SFIN :  
ULGF00930/09/08GMONMRKT02121

Inception Date : 30<sup>th</sup> Sep 2008

### fund objective

To achieve predictable investment return. This will be achieved through 100% investments in money market, The risk appetite is 'low'.

### fund risk profile



### target asset allocation

Money market : 100%

### benchmark construction

CRISIL Liquid Bond Index: 100%

# Group Money Market Fund 2

## fund performance as on Oct 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Money Market Fund 2	9.32%	9.53%	9.76%	9.66%	9.17%
<b>Benchmark</b>	<b>9.29%</b>	<b>9.07%</b>	<b>8.92%</b>	<b>8.69%</b>	<b>7.80%</b>

\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

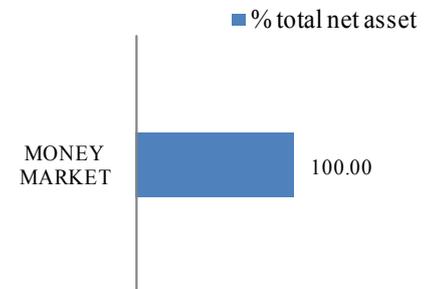
### portfolio

security	% total net assets
other money market Instrument	100.00
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

M. Duration of debt portfolio: 0.49 Years  
YTM of debt portfolio: 8.61%

### asset allocation



## Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.5701
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	19.1195
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	22.7172
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	16.9
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	26.0116
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	14.6675
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.7004
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	19.1502
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.4322
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	22.5935
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	17.1098
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	22.7172
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.5701
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	16.9
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	26.0116
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	14.6675
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	19.1502
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.7004
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	17.1098
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	19.1195
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	16.9
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.9365
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	31.4789
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	14.6675
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.4322
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	22.5935
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.7004
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	17.1098
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	27.4968
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	19.1195
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.7004
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	16.9
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	14.6675
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	26.0116
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.7004
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	16.9
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	14.6675
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	26.0116
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	19.1195

## ✓ Macro Analysis

## ✓ Appreciation of Market Dynamics

## ✓ Meeting Investment Objective vis-à-vis Risk Appetite

## ✓ Asset Allocation Strategy

## ✓ Security Selection- Portfolio Constriction

## ✓ Benchmark

## ✓ Risk Management / Portfolio Evolution/ Diagnostics

## ✓ Governance and Process

**Macro analysis** of the economy is carried out by tracking the trends in key economic indicators.

**Market dynamics** are also studied apart from the above to determine our view of the changes likely in the interest rate scenario and equity market movements. Price movements in the market are monitored at all times along with factors that affect them such as the prevailing market sentiments, cash flows in the market and views/actions of key market participants including institutional investors like FIIs and mutual funds. For analyzing the debt markets, yield curve movements and changes in its shape are also studied.

The **risk appetite and investment objective** is clearly defined for each fund keeping in mind the investment horizon, liquidity requirements etc.

A range of acceptable holdings under each asset class is determined at the investment policy level. The **asset allocation** primarily takes into account, the investment objectives, regulatory issues and the likely risk return matrix to obtain a potential return which is the highest achievable for the risk that is assumed. Within the strategic asset allocation, the fund managers determine the weights of the various asset classes; primarily factoring in the developing market scenarios.

Based on the investment of objectives of each fund option, a rigorous **security selection** process is followed. The fixed income fund manager identifies cheaper securities across the yield curve and builds a basket of securities to arrive at the optimum level of yield within the range of pre-determined 'duration' for the entire portfolio after paying particular attention to the liquidity position and the liquidity premium on the securities. An active fund management style is followed on the equity portfolios. A core portfolio of stocks is first created driven by a top-down approach and a research based bottom-up stock selection method is followed.

**Benchmarks** are pre-determined for each fund based on the most appropriate indices available in the market or by constructing proxy benchmarks out of multiple indices. Performance of each fund is continuously tracked based on the benchmarks and recalibrated.

A statistical analysis is carried out to determine that the **risk levels** are in tune with the risk appetite of the particular fund. Statistical tools such as the standard deviation and risk-adjusted return measures such as the Sharp ratio are calculated in order to compare the returns generated per unit of risk vis-à-vis benchmarks.

The investment policy has been designed by the **Board** to cover regulatory guidelines, the various product investment objectives, risk appetite strategic asset allocation and the investment style. It is ensured that the portfolio is always kept compliant with the relevant regulations. Our rigorous process and risk/compliance controls are well documented.

### Gross Fund Return

Gross return for a fund is defined as the return calculated on an NAV basis plus the fund management fees which are debited periodically to the fund. We calculate gross fund returns in order to give uniformity while evaluating fund management performance as the fund management fees vary from company to company. Fund management charges are a matter of policy decision by the top management of a life insurance company. Hence, even if two funds from two different fund management companies give the same returns, the returns may not reflect that if they are calculated on an NAV basis.

**We shall highlight this with the help of an example.**

#### Reliance Life Insurance

Balanced Fund  
NAV based Return=11.50 %  
Fund Management Fee=2%  
Gross Fund Return=13.50%

#### XYZ Insurance Company

Balanced Fund  
NAV based Return=10.50%  
Fund Management Fee=3%  
Gross Fund Return=13.50%.

As seen above, though the gross return of both the companies were same, Reliance Life Insurance showed a higher NAV based return as the fund management fees were lower. Please note that the returns as given in The Analyst for all funds are computed on a gross basis.

### Benchmark Return

A benchmark is a standard against which the performance of an investment can be measured. Benchmarks are pre-determined primarily on the basis of the asset allocation structure of the fund.

Benchmarks can be readily available in the market or have to be constructed. The CNX Nifty is a readily available benchmark for our equity portfolio manager as the equity fund primarily invests in equities.

However, the benchmark for the Growth Fund of Reliance Life Insurance has been constructed as 60% of CRISIL Short Term Bond Index and 40% of CNX Nifty as the asset allocation of the growth fund is 60% of debt and 40% of equity. (Please refer to the Growth Fund page of The Analyst).

### Fund Standard Deviation

Risk of investing in a fund is identified by the volatility of the fund's periodic returns. Standard deviation measures the volatility of the fund's returns for a given time period.

In other words, Fund Standard Deviation for a particular time period gives us the deviation from the mean returns, that has occurred for that fund during that time period. For e.g. let us assume that the Balanced Fund has generated an average (mean) return of 11.55% for the last 2 years and that the corresponding standard deviation was 4.44%. That means that during the last 2 year time period, the balanced fund return varied between 15.99% (i.e. 11.55+ 4.44) and 7.11% (i.e. 11.55-4.44) during 65% of the time.

Higher the standard deviation, the greater the volatility, and therefore, the greater the risk of investing in that fund.

Thus, an investor has more information available at his disposal to evaluate the quality of performance of the fund and how volatile its returns are.

To carry it a step further, it is highly unlikely that a fund's return in any one year will be exactly the average. Rather, it will always be either higher or lower than the average. Thus, standard deviation teaches us to look beyond the "average annual return" figures that are touted by investment advisors.

### Fund Sharpe Ratio

Sharpe ratio of a fund tells us how much return the fund has been able to generate per unit of risk. The higher the Sharpe Ratio, the better the performance of a fund from a risk point of view.

The excess return generated by a fund for a particular time period is first calculated by subtracting the risk free rate from the rate of return generated by that fund during that time period. Dividing this result by the standard deviation of the fund return during that time period, one can obtain the Sharpe ratio.

**Sharpe Ratio = Excess return / Annualized standard deviation of fund return**

The "risk-free return" is the annualized return currently available on "risk-free" investments. This is usually assumed to be the return on a short government security like Treasury bill. A government security is sovereign credit which is the nearest to a risk free asset that one can get. For our calculations of the Sharpe ratios for all funds as given in the Analyst, we have assumed this risk free rate of interest to be at 5%.

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

We shall assume that 9.85% was the annualized gross return for a 3-year time period for the balanced fund, 5% p.a. was the assumed risk free rate of return as discussed above and 4.14% p.a. was the standard deviation of this 3-year return. The Sharpe ratio can be calculated as follows:

$$(9.85-5)\%/4.14\%=1.17.$$

The Sharpe ratio tells us whether the returns of a portfolio are due to smart investment decisions or a result of excess risk. This measurement is very useful because although one portfolio or fund can reap higher returns than its peers, it is only a good investment if those higher returns do not come with too much additional risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been.

### Benchmark Sharpe Ratio

Just as the fund returns are compared to a benchmark return, the Sharpe ratio of the fund is also compared to the benchmark's Sharpe ratio in order to evaluate the risk-adjusted performance. In our example above, let us assume that the benchmark Sharpe ratio of the balanced fund for the last 3 years is 0.98. This means that over a three-year time period, the Balanced Fund of Reliance Life Insurance has given a higher risk-adjusted return than the comparable risk-adjusted return provided by the constructed benchmark.

While calculating the benchmark Sharpe ratio of 0.98, let us assume that 9.10% was the annualized gross return provided by the constructed benchmark for the balanced fund for the last 3-year time period, 5% p.a. was the assumed risk free rate of return, and 4.21% p.a. was the standard deviation of the 3-year benchmark return.

The benchmark Sharpe ratio for the Balanced Fund for the last three years has been calculated as follows:  $(9.10-5)\%/4.21\%=0.98$ .

### Modified Duration of Debt Portfolio

The value of a fund's debt portfolio is sensitive to changes in interest rates. When interest rates rise, bond prices fall, and vice versa. Generally, a debt portfolio comprising of bonds with higher maturities will have a higher price fluctuation than a portfolio comprising of bonds with lower maturities. Modified duration, indicates the sensitivity of the value of the debt portfolio to any given change in interest rates. Modified Duration is derived from Duration, which represents a weighted average of the time periods to maturity.

Modified Duration gives one an immediate rule of thumb -- the percentage change in the price of a bond is the duration multiplied by the change in interest rates. So, if a bond has duration of 10 years and interest rates fall from 8% to 7.5% (a drop of 0.50 percentage points), the bond's price will rise by approximately 5% (i.e.  $10 \times 0.50\%$ ).

Let us assume that the modified duration for the Balanced Fund is 2.03. If interest rates drop from 8% to 7.5%, the value of this debt portfolio will rise by 1.015% (i.e.  $2.03 \times 0.50\%$ ). Similarly, when interest rates rise from 8% to 8.5%, say, the value of this debt portfolio will fall by 1.015%.

### Fund Beta

Beta measures the risk of a security (say a particular stock) in relation to its broad market. The broad market is generally defined as the specified benchmark index. The Beta assigned to the benchmark index is 1. Beta of the stock describes the sensitivity of the price of the stock to the benchmark index. (For the more statistically inclined readers, Beta is the slope of the regression line). It is generally calculated for equity portfolio/funds.

If a stock has a beta of 1, that stock is likely to generate the same returns as the market. If the beta of a stock is more than 1, it means that the stock is likely to give higher returns compared to the market but also at a higher risk as compared to the market. For instance, a stock with beta of 1.2 means that when the market, say Nifty, gives a return of 10%, that stock is likely to generate returns of 12% (i.e.  $1.2 \times 10\%$ ). Similarly, a low beta stock has given lower returns compared to what the market has delivered for a particular time period. For e.g. for a stock with beta of 0.80, if the Nifty gives returns of 10%, the stock is likely to give returns of only half of that, i.e. 8%. (i.e.  $0.80 \times 10\%$ )

Now we shall see the impact of these two stocks when the market falls. When the Nifty gives negative returns of 10%, i.e the market falls by 10%, the price of the stock with beta of 1.2 will fall by 12%. However, though the price of the stock with the low beta of 0.8 will also fall when the market falls, it will not fall as much as the market. If the market falls by 10%, the price of this scrip will fall only by 8%.

The fund beta is nothing but the betas of individual stocks in the equity portfolio multiplied by the weight of that stock in the portfolio. If a fund has a high beta, the equity portfolio of that fund is aggressive and tilted towards high beta stocks and vice versa. Please note that the betas of individual stocks as given in the Equity Fund page of the Analyst have been calculated based on the available prices of the stocks on the NSE for the last 1-yr period.

✓ Benchmark Sharpe Ratio

✓ Modified Duration Of Debt Profile

✓ Fund Beta

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